

Executive Summary

Intellectual property rights (IPR) are important to California's economic interests. Much of the state's economy is driven by industries affected by IPR such as entertainment and high-technology. IPR violations in China, California's biggest trading partner, is stealing potential revenue from the state's firms. In addition doing business in China the government procurement market requires handing over valuable intellectual property, based on current policy. However, in the long-run this policy cannot survive so it would be better for businesses to wait it out. In addition, current IPR legislation in Congress would change the patent registration system from first-to-invent to first-to-file. There are many pros and cons to this change but it may be found unconstitutional. Countries that respect IPR continue to conduct international diplomacy to build treaties but more needs to be done to get non-compliant countries on board.